

MINUTES OF THE SPECIAL COMMUNITY IMPROVEMENT COMMISSION MEETING  
WEDNESDAY- -JUNE 7, 2006- -7:01 P.M.

Chair Johnson convened the Special Meeting at 7:35 p.m.

ROLL CALL - Present: Commissioners Daysog, deHaan, Gilmore, Matarrese and Chair Johnson - 5.

Absent: None.

CONSENT CALENDAR

Chair Johnson announced that both Consent Calendar items were withdrawn for discussion.

(06-026) Recommendation to authorize the Executive Director to execute a First Amendment, adding \$96,225 and extending the term six months, to Agreement with ERM-West, Inc. to evaluate PAH Contamination on a portion of the Fleet Industrial Supply Center property.

The Base Reuse and Community Development Division Manager gave a brief presentation.

Commissioner deHaan stated the game plan was to provide a report; inquired when the report was to be provided and whether the funding is being requested for said report, including the Human Health Risk Assessment (HHRA) and Feasibility Study (FS).

The Base Reuse and Community Development Division Manager responded the HHRA is a new request from the Department of Toxic Substances Control (DTSC) toxicology department; stated money from the initial contract will be spent to write the report for the FS; the report cannot be written until additional sampling is completed.

Commissioner deHaan stated remaining funds would be used to prepare the HHRA and FS, which he thought were in the initial allocation; inquired whether all the [original] funding has been spent.

The Base Reuse and Community Development Division Manager responded all funding has not been used; stated there is money for the FS; over 65% of the additional work in the amended contract amount is for fieldwork; the remaining funds are for the HHRA and the meetings with the Navy and DTSC.

Commissioner deHaan inquired how many additional samplings would be done, to which the Base Reuse and Community Development Division Manager responded 45.

Commissioner deHaan inquired whether 300 samplings were already done, to which the Base Reuse and Community Development Division Manager responded in the affirmative.

Councilmember deHaan inquired whether the sampling would be a different type.

The Base Reuse and Community Development Division Manager responded the samplings are the step-outs from the twenty hot spots; clarified three samples are taken at each location; stated there will be three depths at some locations; sampling will be done at twenty locations, for a total of 45 samples.

Commissioner Daysog moved approval of the staff recommendation.

Commissioner Matarrese seconded the motion.

Under discussion, Commissioner deHaan stated he would not support the motion and did not support the motion in the past; his concern is the property use is not finalized.

On the call for the question, the motion carried by the following voice vote: Ayes: Commissioners Daysog, Gilmore, Matarrese and Chair Johnson - 4. Noes: Commissioner deHaan - 1.

(06-027) Recommendation to approve a Contract with Strategy Research Institute, Inc. for \$14,500 to conduct a survey of local residents for the update of the City of Alameda Economic Development Strategic Plan.

The Development Manager gave a brief presentation.

Commissioner Daysog stated the sample size is 300: 150 community at large participants and 150 registered voters; the staff report indicates the survey would be statistically valid with a confidence level of 95%; inquired whether 300 participants are needed to have a statistically valid survey of either registered voters or community at large participants.

George Manross, Ph.D., Strategic Research Institute, Inc., responded in the affirmative; using two separate groups increases the sampling error.

Chair Johnson and Commissioner Daysog noted just having community at large participants would make the survey more statistically valid.

Dr. Manross outlined sampling and accuracy levels.

Chair Johnson inquired the reason for having both community at large and registered voters.

Dr. Manross responded the groups represent two distinct populations; the community at large has one set of core values and collective wishes; the electorate has a different set of core values; if a funding mechanism were entertained, the City would want to know where the electorate stands and where the electorate agrees with and differs from the community at large.

In response to Chair Johnson's inquiry regarding whether a survey done today would be relevant in a couple of years, Dr. Manross stated core values do not change; there can be shifts; however, benchmarks would be established.

Commissioner Daysog stated if the sample is increased from 300 to 400, the cost increases from \$14,500 to \$15,500; suggested a sample size of 600, 300 community at large and 300 registered voters.

Dr. Manross stated the recommendation was proposed in order not to exceed a \$15,000 budget; the proposed study typically takes 15 to 17 minutes; a 12 minute study would be restrictive as to the amount of information that can be secured; keeping the sample at 300 and increasing the time from 12 to 15 minutes, would cost \$16,000, but additional information would be gathered; increasing the sample to 400 and the time to 15 minutes would cost \$17,000; suggested the Commission consider a higher sample amount or longer survey.

Commissioner Daysog stated the survey should be as accurate as possible.

Dr. Manross stated an economic development and redevelopment study is typically 400 participants and 15 to 17 minutes, which would be his recommendation.

Commissioner deHaan stated the City is trying to update the visioning process and the Economic Development Strategic Plan (EDSP); the City did not use a questionnaire last time; inquired why a survey should be used now and whether future funding mechanisms would be included.

The Development Manager responded the budget was over \$100,000 for the EDSP and downtown visioning plan in 2000; there was a 25 member task force and an extensive community process; there is not funding or need for something as extensive; the survey is intended to be a periodic review, is a more formal way to supplement the community

workshops and stakeholder interviews, and to get a read of the community to help Development Services direct resources.

Commissioner deHaan inquired whether the information from the last two meeting has been summarized and is available, to which the Development Manager responded in the affirmative.

Commissioner deHaan requested said information.

The Development Manager noted the information has been provided to Dr. Manross to assist him with developing questions.

Commissioner deHaan stated that he would like to see the questions once developed.

The Development Manager stated an Economic Development Commission (EDC) subcommittee would assist with drafting the questionnaire.

Commissioner deHaan inquired what would be done with the data.

The Development Manager responded the data will be reviewed, analyzed and presented to the EDC.

Dr. Manross stated the information gathered would be tested in the community; there would be a return on the investment.

The Development Services Director stated the survey would be an update to the EDSP, which provides the foundation; the survey would ensure the EDSP stays valid.

Commissioner deHaan stated results should be presented to the community; his concerns are ensuring results of meetings held are included and the crafting of the questions; there is no hidden agenda for funding streams.

Ani Dimusheva, Alameda, stated the best way to get the opinion of the community at large is to talk to the community; suggested holding a town hall meeting once a month at cafes throughout town; stated a study is not needed.

Commissioner Daysog moved approval of the staff recommendation, with the change to cap the budget at \$17,000 to allow staff and the consultant to determine how to proceed; stated that he would hope for a higher sample size; however, increasing the time is acceptable.

Commissioner Matarrese seconded the motion.

Under discussion, Commissioner Gilmore inquired how authorizing additional funds would affect the Development Services or general fund budgets.

The Development Services Director responded additional funding would not affect the General Fund budget; stated the Development Services budget can accommodate the funding out of the regular operating budget for supplies and general services.

Chair Johnson stated the motion allows Development Services to decide to spend less.

Commissioner deHaan stated some preliminary work has been completed; requested to see the findings and the questions after EDC review.

Commissioner Matarrese stated an expert is being hired to work with a subcommittee of the EDC to craft the questions.

Commissioner Daysog stated the consultant indicated the questions would be provided to the Commission.

Chair Johnson clarified the process would be to have the contract go forward in order have questions prepared.

On the call for the question, the motion carried by unanimous voice vote - 5.

#### AGENDA ITEM

(06-028) Recommendation to reject the Sole Bid and authorize a 60-day negotiation with Qualified Contractors for the Restoration and Rehabilitation of the Historic Alameda Theater.

The Development Services Director provided a brief presentation.

Commissioner Daysog inquired what Option 2, revise the bid document, means.

The Development Services Director responded staff would have to look for a way to make the bid document more enticing to contractors; stated revising the bid document could involve additional engineering or architectural work to have a finite process for the least costly approach and could take a significant amount of time.

Speakers in support of Option 5 (Reject the bid, terminate the project Disposition and Development Agreement (DDA) and re-scope

the project): Rosemary McNally, Alameda; David Kirwin, Alameda; Pat Bail, Alameda; Ani Dimusheva, Alameda (submitted comments); Richard Rutter, Alameda; Robert Gavrich, Alameda; Kristianne Koenen, Alameda; Kevin Frederick; and Nancy Kerns, Alameda.

Speaker in support of staff recommendation (Option 1, Reject the bid and negotiate with Overaa Construction): Lars Hansson, Park Street Business Association.

Chair Johnson closed the public comment.

The Development Services Director responded to comments.

Commissioner deHaan provided a handout; inquired whether using the parking contractor as an alternate is legally acceptable.

Legal Counsel responded Option 1, contracting with the parking garage contractor low bidder who has not been selected, would be legal under the facts of the situation; stated economy of scale is possible, making the option legally permissible.

Commissioner deHaan stated the displaced contractor has done an admirable job on the library; inquired whether the parking structure budget would be close to \$900,000 with contingency.

The Development Services Director responded in the affirmative.

Commissioner deHaan inquired whether the developer has provided information on the cineplex portion, to which the Development Services Director responded the developer has a project estimate in excess of \$5 million; he has been getting estimates; his formal cost estimates will be in next week.

Commissioner deHaan inquired whether the developer has seen a major increase.

The Development Services Director responded the developer is fairly confident; four contractors are sharing preliminary estimates.

In response to Commissioner deHaan's inquiry regarding project costs to date, the Development Services Director stated \$3,378,500 has been spent, including acquisition of two properties.

Commissioner deHaan outlined cost increases since 2002; stated cost estimates were \$17.6 million in 2004; today's costs are around \$33.6 million; there has been growth.

The Development Services Director stated construction costs could

not be estimated until the design plans were developed; previous estimates did not include land acquisition or architectural engineering; outlined the project phases; stated project costs are unknown until bid documents are prepared.

Commissioner Gilmore stated the handout from Commissioner deHaan outlining budgets shows the large increase has been for the historic theater, which is the most complex part of the project filled with the most unknowns; the other two pieces are new construction.

Commissioner deHaan stated another option would be to decrease the theater project to a single floor and take two floors off the parking structure; the cost would decrease from \$33.7 million down to \$28.8 million.

The Development Services Director noted disabled access would have to be added to the historic theater.

Commissioner deHaan stated Option 5 could be considered, with caveats, such as satellite parking areas and using the entire Video Maniacs site for the cineplex and retail.

The Development Services Director stated most cost overruns are with the historic theater; noted satellite parking would involve dealing with land acquisition again.

Commissioner Matarrese stated that he appreciates the information from Commissioner deHaan and speakers; there seems to be support to tone down the parking garage and cineplex in favor of funding the renovation of the historic theater; \$11 million is not the best bid; the bid should be rejected and the City should negotiate a lower price; he would entertain the idea of a better price being obtained through modification of the other two components [garage and cineplex]; 60 days would give staff an opportunity to review; a different project would probably result with Option 1.

Commissioner Daysog stated there seems to be a cafeteria approach to the project; bonds have been issued on the entire project; \$17 million was identified for the project with \$9 million slated for rehabilitation of the historic theater; \$17 million was part of the \$42 million bond total; the total bond will cost \$100 million with interest; his question is how the project ties into the total bond issuance; he is not convinced that a cafeteria approach will work; most of the cost overruns are with the historic theater; if the historic theater is not going to be rehabilitated, there is no reason to do the garage and Cineplex if the historic theater is not going to be rehabilitated; however, bonds have already been issued;

the focus should be on rehabilitation of the historic theater; suggested the City consider operating the renovated historic theater.

Commissioner Matarrese stated the City bonded for a project that included the theater, off street parking and some retail; everyone is looking to accomplish the project; the look will have to be adjusted; the cost of the historic theater has led to tonight; Development Services has come up with a way to handle costs; money will have to be taken from elsewhere to fund the renovation project if the 60 days do not prove successful; that he would not support general fund money for the project or lowering the contingency budget; he does not support Option 5 because he does not want to can the project.

Commissioner Daysog stated that he voted against the bonds because it was putting the cart before the horse and the true cost of the project were not understood; now the City is trying to pick up the pieces and realizes there are no funds; perhaps everyone could be happy with just having the historic theater.

Commissioner Gilmore stated the project has to have a contingency fund to go forward; staff has included a contingency fund; she would not support a project without a healthy contingency fund of 15 to 20%; that she is in favor of the 60 day negotiation period because the City will have learned valuable information about the historic theater even if there is no contract at the end of the period; gathering additional information is a good thing; negotiating does not commit the City to go forward; she has a problem with Option 5 because she would not support acquiring the historic theater without having a plan; the City should not be stuck with a piece of property without the knowledge of whether the property can be developed economically; the timeframe for acquiring the theater is sooner than alternatives could be created if the project is rejected.

Chair Johnson stated the 60-day time period is reasonable after the time and effort that has been spent; that she supports the staff recommendation.

Commissioner deHaan stated his concern is that an opportunity to review other options would be missed by allowing 60-days to negotiate; a 15% contingency might not be enough for the historic theater project; value engineering might not work and other options should be reviewed to determine how existing funding can complete the entire project; all of the funding might have to go to renovating the theater; a \$7 million loan is included because enough money was not bonded; other options should be reviewed



quickly.

Commissioner Matarrese moved approval of the staff recommendation to reject the bid and negotiate for 60 days with the caveat that options for the current configuration of the project be outlined in parallel to allow the City to reach the end of the 60 days with a full pallet of information; the two months would not be lost if the results are not favorable.

Commissioner Gilmore seconded the motion, which carried by the following voice vote: Ayes: Commissioners Gilmore, Matarrese and Chair Johnson - 3. Noes: Commissioners Daysog and deHaan - 2.

#### ADJOURNMENT

There being no further business, Chair Johnson adjourned the Special Meeting at 9:35 p.m.

Respectfully submitted,

Lara Weisiger  
Secretary

The agenda for this meeting was posted in accordance with the Brown Act.

MINUTES OF THE SPECIAL COMMUNITY IMPROVEMENT COMMISSION MEETING  
WEDNESDAY- -JUNE 7, 2006- -5:31 P.M.

Chair Johnson convened the Special Meeting at 5:35 p.m.

Roll Call - Present: Commissioners Daysog, deHaan, Gilmore,  
Matarrese and Chair Johnson - 5.

Absent: None.

The Special Meeting was adjourned to Closed Session to consider:

(06-025) Conference with Legal Counsel - Existing Litigation; Name  
of case: Community Improvement Commission v. Cocores Development  
Company.

Following the Closed Session, the Special Meeting was reconvened  
and Chair Johnson announced that the Commission received a briefing  
from its legal counsel and gave direction and settlement  
parameters.

Adjournment

There being no further business, Chair Johnson adjourned the  
Special Meeting at 7:00 p.m.

Respectfully submitted,

Lara Weisiger  
Secretary

The agenda for this meeting was posted in accordance with the Brown  
Act.